

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 18, 2017

TO: Honorable Kel Seliger, Chair, Senate Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB2118 by Seliger (Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time. The bill could result in a net decrease in General Revenue due to decreased formula funding at general academic institutions and health related institutions, which could be partially offset by increased formula funding at public junior colleges in fiscal years 2020-2021. The bill could result in a net decrease in tuition and fee revenue at general academic institutions and health related institutions due to estimated declines in enrollment in certain programs. The net change in General Revenue and institutional funds for institutions of higher education would depend on the number of baccalaureate degree programs offered by public junior colleges and the number of students who choose to enroll in those programs instead of programs at general academic institutions or health related institutions.

The bill would amend the Education Code relating to authorization by the Texas Higher Education Coordinating Board (THECB) for certain public junior colleges to offer baccalaureate degree programs. The bill would allow THECB to authorize baccalaureate degree programs in nursing at public junior colleges, as well as baccalaureate degree programs at public junior colleges that already offer associate degree programs in the fields of applied science, applied technology, or nursing, and have demonstrated a workforce need. The bill would require the junior college to provide THECB and the Texas Board of Nursing with evidence that the junior college has adequate long-term clinical space, and ensure that the program would not draw faculty that is employed at a neighboring institution that offers a similar program.

The bill would limit the ability of junior colleges to offer a baccalaureate degree to districts that have a taxable property valuation amount of not less than \$10 billion. The bill would also not require the Legislature to appropriate state funds to support a degree program unless the junior college previously participated in a pilot project to offer baccalaureate degree programs. The bill would require that a public junior college not charge a student enrolled in a baccalaureate degree program tuition and fees in an amount that is greater than the amount of tuition and fees charged to a student enrolled in an associate degree program in a corresponding field.

The bill would take effect immediately if a vote of two-thirds is received, otherwise it would take effect September 1, 2017.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. This analysis assumes any costs associated with this bill would be paid for out of institutional funds, partially offset by any state appropriations from formula funding.

Source Agencies: 507 Texas Board of Nursing, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: UP, THo, DEH, ESC, JQ